



Education Sector in Mexico

CS Mexico Market Research

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Education Sector

Summary

In 2003/04, international students in the U.S. contributed almost US\$ 13 billion to the U.S. economy and it has become one of the most important export industries for the country.

Mexico is the **seventh**-leading place of origin for students to the United States, and is one of only three non-Asian countries among the top ten senders. The United States is the largest foreign investor in Mexico, its largest trading partner, the leading source of its international tourists, and, most importantly, the preferred destination for Mexican nationals seeking undergraduate & graduate education.

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Market Overview

Studies from the National Association of Universities and Institutions of Higher Education (ANUIES) indicate that cooperation among Mexican and international institutions of higher education has increased dramatically since year 2000. This cooperation has been a strategic element in the strengthening of Mexican education, as it is considered one of the most important factors to promote the development of the country's economy, as well as social, scientific, technological and cultural development.

International students contributed almost US\$13 billion to the US economy, according to analyses conducted by researchers at Indiana Univ. for NAFSA. Expenditures include tuition, cost of living expenses (student & in some cases their dependents)¹

¹ Source IIE

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Year	# of Students from Mexico	% of Total Foreign Students in US
2003/04	13, 329	2.3%
2002/03	12,801	2.2%
2001/02	12,518	2.1%

*Source: Open Doors 2004

More than 70 percent of the foreign universities chosen by Mexican students were U.S institutions. According to the Institute of International Education (IIE) in Mexico City, in academic year 2003/04, there were 13,329 students from Mexico studying in the United States (4.1 % more from the previous year). The majority of Mexican students study at the undergraduate level (31.7%), graduate students (62.3%), community colleges & ESL programs (6.0%).

Market Trends

The Mexican education system in academic year 2003-2004 consisted of 31.4 million students, equivalent to 30% of Mexico's total population.

Institutions under the jurisdiction of the federal, state and municipal governments; as well as private institutions offer education in Mexico. Formal education, except for autonomous universities, is regulated by the **Secretaría de Educación Pública SEP** (Ministry of Education).

The Education System in Mexico is divided in 4 main categories:

Elementary school (escuela primaria): lasts six years and is required for children between the ages of 6 and 12.

Middle School: Junior High (escuela secundaria): 3 year program

Senior High (preparatorias): The objective is to prepare students for further study in a university and to narrow their interests.

Higher Education: Higher technical degrees, bachelor's degrees (licenciaturas), specialist's degrees, master's degrees (maestrías) and doctorates (doctorados).

In academic year 2003-2004, 2.3 million students enrolled in higher education programs, from which 72.4% studied in public schools and 12.6% attended private universities/colleges.

Short-cycle public sector programs are basically limited to 2-year technical schools. They enroll only a small fraction of the total student population (less than 5% of total students population) and tend to emphasize computer and applied skills for electronic and manufacturing industries as opposed to the more popular 4-year technical degrees that

specialize in engineering, management, and administration.

Technological schools have shown an increase of approximately 20% since year 2001, this increase is because of an agreement between the Federal & State governments, private sector and technological schools in each region which are working together developing projects and programs to benefit their communities. To obtain a degree, students must pass all subjects, participate in a social service program (practices in government institutions or private companies) and follow a traineeship in the production sector of 13 to 15 weeks.

At the university level, to obtain a bachelor degree, students must obtain all the credits in the course, participate in social service, prepare a thesis and / or present a professional examination.

The Mexican education system at a post-graduate level is conformed by 143,629 students; 23,614 professors and 1,338 schools. 4.6% of total enrollment in the Mexican education system is doing graduate studies, of which 66.8% attend public universities and 33.2% private institutions.²

The demand for MBA programs in Mexico increases every year. Local MBA enrollment has had an average growth of than 12% for the last 10 years and opportunities are open for Universities interested in offering MBA's with an international approach of the local environment.

Distribution of Students in Mexico 2003

Grade	Public	Private
Middle School	5,480,500	391,000
High School	2,764,000	608,000
Technical / Professional	366,000	77,000

² Source: SEP

Higher Education	184,000	74,000
Technical & Higher Education	1,830,500	577,000
Postgraduate	132,500	53,500

Source: SEP

There is a trend in private universities to open campuses outside Mexico City because the demand for private education has increased in cities where the standards of living are improving.

State	Total Students	In Private schools
Mexico City	336,695	120,570
Estado de México	153,923	57,416
Jalisco	111,903	49,595
Nuevo Leon	98,445	41,668
Veracruz	88,801	27,536
Puebla	87,895	41,498
Sinaloa	68,215	6,747
Sonora	54,335	5,124
Chihuahua	52,887	10,237
Coahuila	52,688	15,153

* Expansión Magazine

The importance Mexican citizens place on having a command of the English language is a trend that has resulted from Mexico's role as player in the world economy and international politics, and even more specifically as a result of growing economic and cultural interdependence between Mexico and the United States.

There are a significant number of universities offering English as an undergraduate degree program. Several Mexican private universities use the TOEFL Institutional exam as a requirement for students in all fields of study.

Competition

Indigenous competition is generally against private universities/colleges in Mexico such as Instituto Tecnológico de Estudios Superiores de

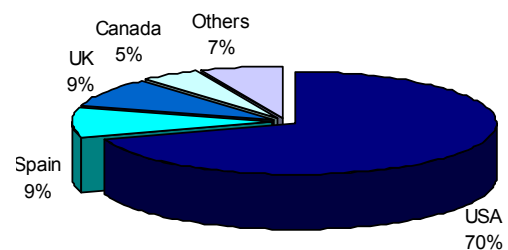
Monterrey (TEC), Universidad Anáhuac, Instituto Tecnológico Autónomo de México (ITAM), Universidad de las Américas (UDLA) among others that have diversified their programs and improved their academic standards in order to give their students quality education and prepare them to succeed in a global business environment. They have also invested in infrastructure and high-tech equipment.

Public schools have been working with the private sector and the local/federal government in order to improve their programs focusing in an international business environment.

An example of this cooperation is the collaboration agreement recently signed by the UNAM, IPN, Universidad de Michoacán, Puebla, Sinaloa, San Luis Potosí and Guadalajara to improve the collaboration among public universities, students mobility, exchange programs for students and professors, joint research projects among other activities.

Also, large companies have partnered with private and public universities to improve their employees' academic levels, particularly in the area of graduate education.

Although the U.S. is still the main destination for undergraduate & graduate programs for Mexican students, as in year 2003/2004, 70% of the Mexican students sent abroad chose U.S. schools; competition from other countries is also growing. Countries such as Canada, the U.K. and Australia are competing more vigorously and with growing support from their national governments.



Source: IIE Student Mobility 2003

End Users

Demand for slots at Mexican public universities far exceeds supply and private schools are seeing rapid growth in enrollment. Over the past ten years, there has been a 63-percent increase in the number of private universities and trade schools in Mexico, from 15,891 institutions in 1993 to over 26,000 today. It is important to note that the vast majority of schools included in these data are small, private training programs, not colleges or universities.

Annual tuition for a student attending a private university ranges from US\$4,000 to US\$9,000 USD. It is clear that there are a large number of Mexican families that are willing to pay the price for a better education.

In Mexico, those with higher levels of education earn higher salaries. That's another reason for a Mexican student not only to get a bachelor degree, but also continue his/her professional development either studying a foreign language and/or pursuing graduate studies. It is also important to notice that a professional can get a better job if his/her degree comes from a foreign university.

A barrier that U.S. schools face to recruiting students in Mexico is that there remains a significant degree of ignorance in Mexico of the extensive range of education options available in the United States. Mexican students are also unaware of options that fall outside of the traditional university category. Community colleges, junior colleges, small four-year colleges, and even excellent state programs go largely unnoticed by Mexican students bombarded by marketing from local private schools as well as schools from Canada and Europe.

Market Entry

Cooperation among Mexican and International institutions has increased since year 2000. Mexican public and private universities are partnering with universities/colleges from other countries to offer international higher education to Mexican students to compete in the global market.

Mexican public and private colleges/universities are focusing on alliances and agreements with foreign universities and community colleges to provide joint programs, dual certification and exchange programs for students and professors.

U.S. schools/universities, institutes, and ESL schools in the United States should seek to develop alliances with Mexican private schools and universities in search of mutual benefits. It is important to provide programs that offer a local application with a global vision.

Schools should also approach students participating in educational fairs and working with agents/representatives in Mexico in order to develop a closer relationship between the institution, interested students and their parents.

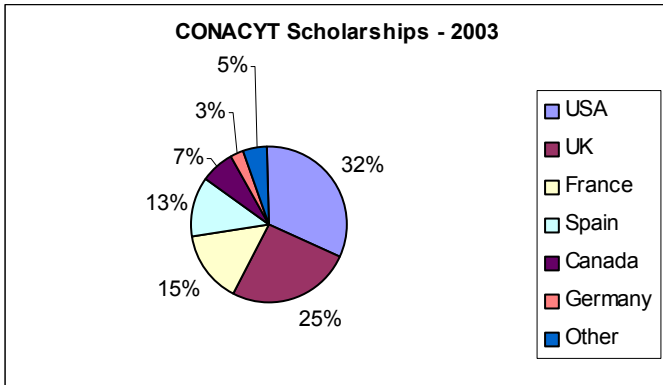
Financing Sources for International Higher Education Students

The most important sources of funds for international students in the U.S. are personal and family, grants/scholarships and other sources of funds such as private foreign sponsors.

Mexican undergraduate students abroad are generally financed by private sources (family resources) or exchange programs among public or private universities.

On the other hand, graduate students can apply for grants and scholarships through different channels:

1.- Consejo Nacional de Ciencia y Tecnología (CONACYT) – is the largest scholarship granting organization for Mexican international higher education students. In year 2003, they granted 759 scholarships to Mexican students interested in pursuing a graduate program in the U.S in Exact & Natural Sciences, Social Sciences & Technology Development.



Source: CONACYT – Science & Technology Indicators at a Glance

2.- Fondo para el Desarrollo de Recursos Humanos – Banco de México

Beginning in 1971, the Mexican Government, in order to encourage Mexican students to continue their professional development, established the “Fondo para el Desarrollo de Recursos Humanos”(FIDERH) program, which is administered by the Treasury Ministry. FIDERH provides grants for graduate studies in the fields of engineering, technology, agricultural sciences, social and economic sciences, health and human sciences in Mexico and abroad.

3.- The U.S.-Mexico Commission for Educational and Cultural Exchange (COMEXUS) –

Is the principal bi-national organization dedicated to pursuing understanding between Mexico and the US through educational exchanges. COMEXUS offers grants to Mexican students to study for Master's or Ph.D. degrees in a U.S. University. COMEXUS also offers exchange programs for professors, research scholars & professionals from Mexico.

Opportunities for Profile Building

In an effort to help U.S. colleges, universities and other educational institutions to learn more about the Mexican educational system and to enhance the promotion of U.S. higher education in Mexico, seven government and non-profit organizations have partnered under the **Education USA-Mexico** banner. These organizations: the U.S. Commercial Service, the Institute of International Education, the Cultural Affairs office of the US. Dept. of State, the Benjamin Franklin Library, COMEXUS, USAID, and the EducationUSA Advising Center can help you establish ties to Mexico, identify methods to promote your programs, recruit Mexican students, develop faculty exchanges, and identify financial aid and scholarships opportunities for Mexican students and faculty.

USAID TIES PROGRAM - is a \$50 million, eight-year collaborative program between the U.S. government, U.S. and Mexican educational institutions, and the private sector.

TIES has two main components:

University Partnerships:

- Establish training, internship, exchange, and scholarship relationships between U.S. and Mexican universities to address common development problems identified by Mexican higher education institutions and their public and private partners.

Community College Scholarships:

- Provides support for disadvantaged Mexicans living in rural, poor areas to study at the community college level in the U.S. in programs designed to improve their technical skills so that they can better address development problems.

Key Contacts

Secretaría de Educación Pública:

www.sep.gob.mx

Asociación Nacional de Universidades y
Escuelas de Educación Superior:

www.anuies.mx

Consejo Nacional de Ciencia y Tecnología:

www.conacyt.mx

Fondo para el Desarrollo de Recursos

Humanos – www.fiderh.org.mx

U.S. – Mexico Commission for Educational And
Cultural Exchange: www.comexus.org

USAID – TIES program:

<http://www.aascu.org/alo/TIES/tieshome.htm>

Institute of International Education: www.iie.org

Open Doors: <http://opendoors.iienetwork.org>

Office of Academic Programs/Cultural Affairs
Section (U.S. Embassy) -

<http://www.usembassy-mexico.gov/eCult1.htm>

Upcoming Trade Shows/events

The U.S. Embassy in Mexico encourage U.S. schools interested in recruiting Mexican students to participate in the 4th annual **STUDY USA Pavilion at UNIVERSITAREA 2005**, November 10 to 13. UNIVERSITAREA 2005 in its 9th year is Mexico's leading education exhibition. www.universitarea.com.mx or www.buyusa.gov/mexico/en

For further information about the education and training services market and the services provided to U.S. firms by the U.S. Commercial Service to access to these business opportunities, please contact:

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